



STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

IN REPLY REFER TO:

Board of Land and  
Natural Resources  
State of Hawaii  
Honolulu, Hawaii

ISSUANCE OF A DIRECT AIR CARGO LEASE  
TO AEKO KULA, INC. dba ALOHA AIR CARGO  
LIHUE AIRPORT

KAUAI

REQUEST:

Issuance of a direct lease to Aeko Kula, Inc. dba Aloha Air Cargo to operate and maintain an air cargo facility at Lihue Airport (LIH)

APPLICANT:

Aeko Kula, Inc. (AKI) dba Aloha Air Cargo, a Hawaii corporation

LEGAL REFERENCE:

Subsection 171-59(b), Hawaii Revised Statutes, as amended

LOCATION AND TAX MAP KEY:

Portion of LIH, Lihue, Island of Kauai, identified by Tax Map Key:  
4<sup>th</sup> Division, 3-5-01: Portion of 8

PREMISES:

Building Rooms

Space No. 135-107A, containing an area of approximately 302 square feet;  
Space No. 135-107B, containing an area of approximately 107 square feet;  
Space No. 135-107C, containing an area of approximately 95 square feet;  
Space No. 135-107D, containing an area of approximately 311 square feet;  
Space No. 135-107E, containing an area of approximately 1,178 square feet;  
Space No. 135-107, containing an area of approximately 10,640 square feet;  
as shown on the attached Exhibit "B".

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ZONING:

State Land Use: Urban  
County: Industrial (IG-STP)

LAND TITLE STATUS:

Section 5(a), Hawaii Admissions Act

DHHL, 30% entitlement lands Yes \_\_\_\_\_ No X

CURRENT USE STATUS:

Air cargo operations

CHARACTER OF USE:

Air cargo facility

TERM OF LEASE:

Five years

LEASE COMMENCEMENT DATE:

Upon execution of the Lease

ANNUAL RENTAL:

\$9,474.75 per month

PERFORMANCE BOND:

Sum equal to one-half (1/2) of the annual rental in effect

CHAPTER 343, HRS – ENVIRONMENTAL ASSESSMENT:

This project will have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment under the authority of Chapter 343, HRS, as amended and Section 11-200 HAR. The declaration of exemption is based on Exemption Class #1 on the Comprehensive Exemption List dated November 15, 2000, that states:

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“Operations, repairs or maintenance of existing structures, facilities, equipment or topographical features, involving negligible or no expansion or change of use beyond that previously existing.”

REMARKS:

Because it plans to improve its existing facility for air cargo operations, AKI is requesting issuance of a new lease to replace an existing revocable permit that took effect on May 14, 2008. DOT, in the public interest, has no objection to the issuance of a new lease to AKI, and its continued occupancy and use of the premises. The DOT has determined that the issuance of this direct lease encourages competition within the aeronautical and airport-related industries.

RECOMMENDATION:

That the Board authorizes the Department of Transportation to issue a direct lease to Aeko Kula, Inc. dba Aloha Air Cargo, subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State; and (3) review and approval of the Department of the Attorney General as to the lease form and content.

Respectfully submitted,

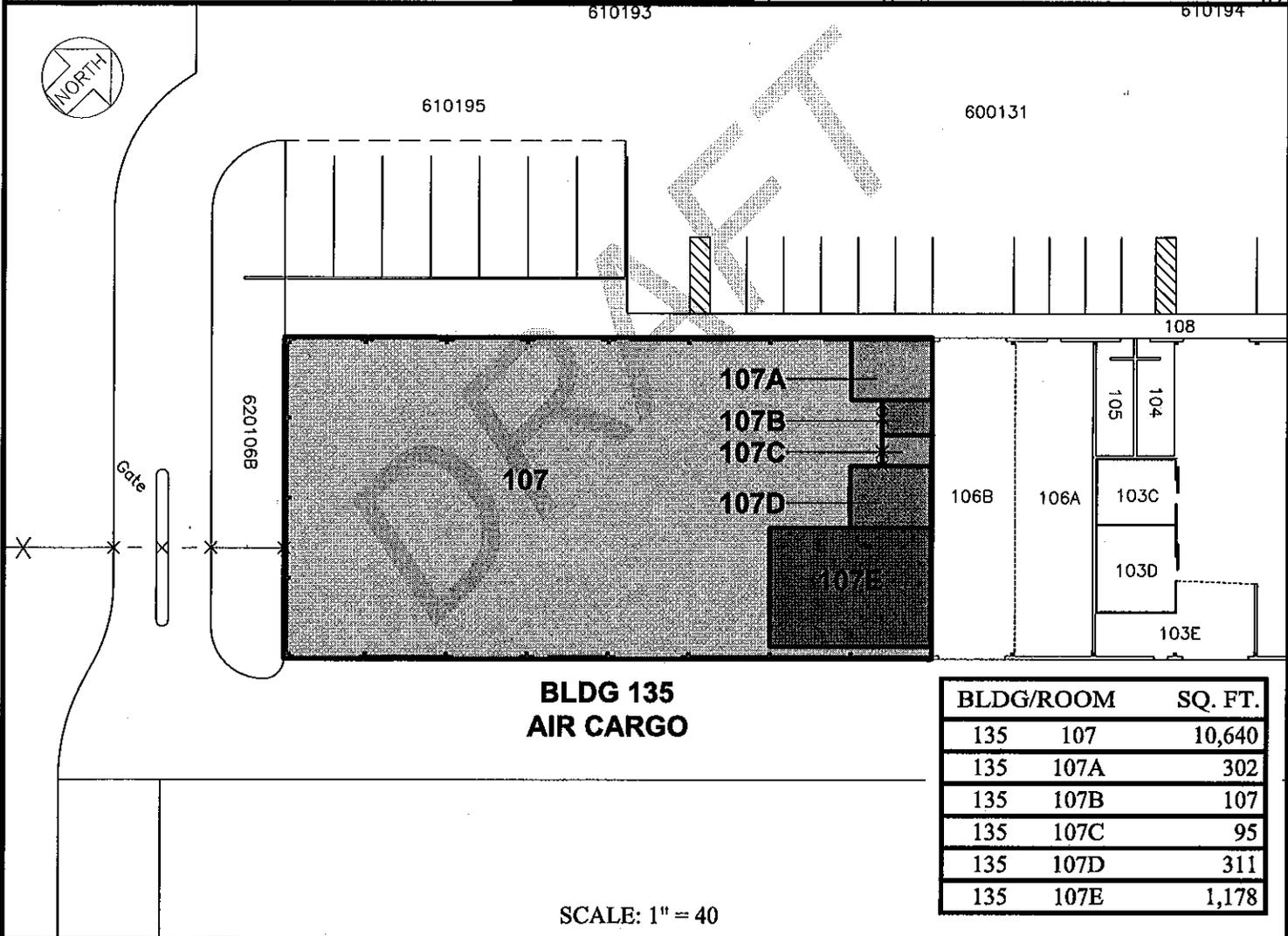
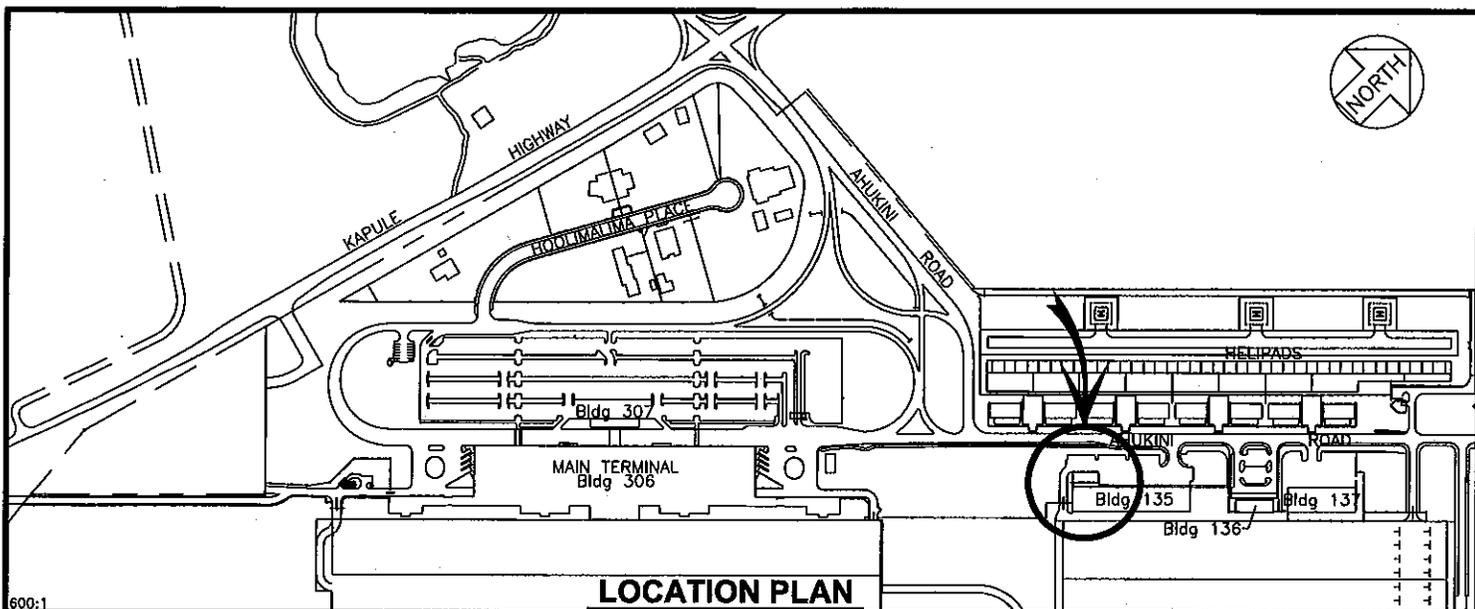


GLENN M. OKIMOTO, Ph.D.  
Director of Transportation

APPROVED FOR SUBMITTAL:



WILLIAM J. AILA, JR.  
Chairperson and Member



BLDG/ROOM	SQ. FT.
135 107	10,640
135 107A	302
135 107B	107
135 107C	95
135 107D	311
135 107E	1,178

DATE : OCTOBER, 2011

EXHIBIT: **B**



AEKO KULA, INC.

**BUILDING 135  
AIR CARGO  
GROUND LEVEL**

**135107  
135107A-E  
PLATS A1, 35**